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Working Party on Customs Questions
affecting Transport

**REPORT OF THE WORKING PARTY ON CUSTOMS QUESTIONS
AFFECTING TRANSPORT ON ITS ONE-HUNDRED-AND-THIRD SESSION
(4-7 February 2003)**

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REPORT

ATTENDANCE

1. The Working Party held its one-hundred-and-third session from 4 to 7 February 2003 in Geneva.
2. The session was attended by representatives of the following countries: Austria; Azerbaijan; Belarus; Belgium; Bulgaria; Croatia; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Italy; Kazakhstan; Latvia; Lithuania; Netherlands; Norway; Poland; Republic of Moldova; Romania; Russian Federation; Serbia and Montenegro; Slovakia; Slovenia; Spain; Sweden; Switzerland; The former Yugoslav Republic of Macedonia; Turkey; Ukraine; United Kingdom. Representatives of the European Community (EC) were also present. Representatives of Japan and the Republic of Korea participated in the session under paragraph 11 of the Commission's Terms of Reference.
3. The United Nations Conference on Trade and Development (UNCTAD) was represented. The Organization for Cooperation of Railways (OSZhD) was also represented.
4. The following non-governmental organizations were represented: International Road Transport Union (IRU); International Touring Alliance/International Automobile Federation (AIT/FIA); Transfrigoroute International.

OPENING STATEMENT

5. In opening the meeting, the Executive Secretary of the UNECE expressed her view that the TIR Convention was of immense importance for the development of international trade, in particular for countries with economies in transition and landlocked countries. She said that the TIR system was under a major threat, due to the misuse of its facilities by organized crime, particularly in some of these countries. Recalling the figures reported to the previous session of the Working Party, she stressed that they showed a dramatic increase in the number of Customs irregularities and a disproportionate one in a few countries. The payment of all related claims would have destabilized the guarantee chain and led to the collapse of the system. Against this background, she regretted certain positions and interpretations of the Convention that disregarded the risk on the guarantee chain. She thanked the Russian Federation and the International Road Transport Union (IRU) for their responsiveness and their efforts to find a negotiated solution that had avoided the crisis. She underlined that it was important that future work addresses the question of securing the TIR system, better combating Custom fraud by organized crime and avoiding or

minimizing the risk on the system. This should be carried out in an environment of trust and partnership between Contracting Parties and the private sector, where both sides have clearly defined roles and responsibilities. In this context, the Executive Secretary expressed support for the conclusions of the meeting of the “Friends of the Chairman” and the presentation by Latvia of a proposal for the introduction in the Convention of a control system for TIR Carnets. The text of the Executive Secretary’s opening statement is reproduced in annex 1 of the report.

6. In response to the Executive Secretary’s statement that she was not prepared to discuss “micro-management” issues, several Contracting Parties spoke in support of the TIR Secretary citing his professionalism and integrity. In addition, several Contracting Parties put searching questions to the Executive Secretary. The questions included the following:

- Was the TIR Executive Board (TIRExB) Informal document No. 19 (2002), and in particular its statement concerning the interpretation of Art. 11.3 of the TIR Convention, responsible for the recent crisis?
- Were the actions or inactions of the TIR Secretary and the TIR secretariat responsible for the recent crisis?
- Were the actions of the TIRExB responsible for the recent crisis?

7. The delegation of the Russian Federation pointed out that it had informed the UNECE WP.30 some years ago of the inefficient functioning of the TIR guarantee system, being the main reason for the crisis. The Russian delegation stressed that neither the activities of the TIRExB and the TIR secretariat, nor the restricted draft Informal document No. 19 had contributed to and had impact on this crisis regarding the functioning of the TIR guarantee system in the Russian Federation. The Russian delegation stated that it had always followed a firm position based on the provisions of the TIR Convention only.

8. In reply to questions from delegations, the Executive Secretary mentioned, concerning the statement of the Russian Federation, that she had been informed otherwise. Furthermore, the Executive Secretary stated that what matters is to avoid the collapse of the TIR system and that all other issues are irrelevant.

ADOPTION OF THE AGENDA

Documentation: TRANS/WP.30/205.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 1.

9. The Working Party adopted the provisional agenda prepared by the secretariat (TRANS/WP.30/205) with the addition of the following item under point 8 (c) (xi) of the agenda:

- Practical application for the TIR procedure of the Customs Union between the Russian Federation and Belarus.

10. The Working Party deplored that several official documents and the report of the one-hundred-second session were not available in all official languages and requested the secretariat to seek to ensure the availability of documentation in advance of its future sessions.

ELECTION OF OFFICERS

Mandate and background: Provisional agenda TRANS/WP.30/205, point 2.

11. The Working Party re-elected Mr. Guus Jacobs (the Netherlands) as Chairman of its sessions for 2003.

ACTIVITIES OF UNECE BODIES AND OTHER UNITED NATIONS ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Documentation: Depositary Notification C.N.47.2003.TREATIES-1.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 3.

12. The Working Party was informed that Lithuania has acceded to the Convention on Customs Treatment of Pool Containers Used in International Transport, 21 January 1994 with effect from 3 July 2003.

13. The Working Party, in accordance with its decision at its one-hundred-and-second session concerning transport and security (TRANS/WP.30/204, para. 7), took note that the World Customs Organization (WCO) had requested the secretariat to provide information on the status of the Customs Convention on Containers, 1972 and for the secretariat to co-operate in the possible revision of the Convention. The Working Party requested the secretariat to provide necessary information and support to WCO and to report on this issue at one of its future sessions.

ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Mandate and background: Provisional agenda TRANS/WP.30/205, point 4.

14. The Working Party was informed by the representative of the European Commission of the status of the implementation of the New Computerized Transit System (NCTS), which must be fully implemented by EU Member States by 30 June 2003. NCTS movements can at present be made between five Member States. The Working Party was also informed that the current Community arrangements for transit of goods by rail and post, which are based on legislation that assumes that the organizations involved are publicly owned, are to be reviewed as a result of liberalization in these sectors. It is likely that this review will result in a need to carry out legislative changes.

CUSTOMS CONVENTIONS ON THE TEMPORARY IMPORTATION OF PRIVATE ROAD VEHICLES (1954) AND COMMERCIAL ROAD VEHICLES (1956)

Documentation: ECE/TRANS/107/Rev.1; ECE/TRANS/108; (<http://border.unece.org> - Legal Instruments); TRANS/WP.30/2003/2; Depositary Notifications C.N.2.2003.TREATIES-1; C.N.3.2003.TREATIES-1; C.N.61.2003.TREATIES-2; C.N.62.2003.TREATIES-2.

Mandate and background: Provisional agenda TRANS/WP.30/203, point 5.

(a) Status of the Conventions

15. The Working Party took note that Lithuania, with effect from 3 April 2003, and Saudi Arabia, with effect from 23 April 2003, have acceded to the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles. As of 1 February 2003 the two Conventions have seventy-seven and thirty-five Contracting Parties, respectively.

(b) **Application of the Conventions**

16. The Working Party was informed by the AIT/FIA about specific problems in the application of the Conventions, in particular, about the management of the system of “Carnet de Passage en Douane” (CPD) (TRANS/WP.30/2003/2). The AIT/FIA requested the Working Party to provide its views on the problems described.

17. The Working Party requested the secretariat to seek clarification on the problems described from the Contracting Parties in question and to inform the Working Party about these consultations at its forthcoming session.

INTERNATIONAL CONVENTION ON THE HARMONIZATION OF FRONTIER CONTROLS OF GOODS, 1982 (“HARMONIZATION CONVENTION”)

Documentation: ECE/TRANS/55; (<http://border.unece.org> - Legal Instruments); TRANS/WP.30/196; TRANS/WP.30/AC.3/8; TRANS/WP.30/2002/19; TRANS/WP.30/2001/16; TRANS/WP.30/2000/16; TRANS/WP.30/2000/11, Informal documents No. 19 and 21 (2002).

Mandate and background: Provisional agenda TRANS/WP.30/203, point 6.

(a) **Status of the Convention**

18. The Working Party was informed that the Convention has forty-two Contracting Parties. A complete list of Contracting Parties to the Convention is annexed to the agenda of the fifth session of the Administrative Committee for the International Convention on the Harmonization of Frontier Controls of Goods, 1982 (TRANS/WP.30/AC.3/9, annex 1).

(b) **Preparation of a new Annex on efficient border crossing procedures**

19. The Working Party recalled that the Administrative Committee for the "Harmonization Convention", at the invitation of the Executive Secretary of the UNECE, will convene its fifth session on 6 and 7 February 2003 (TRANS/WP.30/AC.3/9), to consider, in particular, a consolidated proposal of a new draft Annex 8 to the Convention, prepared by the secretariat (TRANS/WP.30/AC.3/2003/1).

20. The Working Party was informed by Transfrigoroute (International) about the importance, in particular for the transport of perishable foodstuffs, of the adoption of the new draft Annex 8 to the Convention.

DRAFT UNECE CONVENTIONS ON INTERNATIONAL CUSTOMS TRANSIT PROCEDURES FOR THE CARRIAGE OF GOODS BY RAIL

Documentation: TRANS/2001/10; TRANS/WP.30/194; TRANS/WP.30/164; TRANS/WP.30/2002/25; TRANS/WP.30/2002/16; TRANS/WP.30/2002/12; TRANS/WP.30/2002/10; TRANS/WP.30/2002/9; TRANS/WP.30/2000/17; TRANS/WP.30/R.141; Informal documents No. 4-5 (2002).

Mandate and background: Provisional agenda TRANS/WP.30/205, point 7.

(a) Resolution on the Use of the SMGS Consignment Note as a Customs Transit Declaration

21. The Working Party was informed that the Executive Secretary of the UNECE, immediately following the present session, will write to the Contracting Parties to the SMGS Agreement inviting them to notify the UNECE if they accept resolution No. 50 on the use of the SMGS Consignment Note as a customs transit declaration adopted during its one-hundred-and-second session (TRANS/WP.30/204, annex 1).

(b) Draft UNECE Conventions on International Customs Transit Procedures for the Carriage of Goods by Rail

22. The Working Party, recalling that the adopted resolution No. 50 was a preliminary facilitation measure, took note of information provided by the secretariat that it has been attempting to organize an Expert Group meeting for the Contracting Parties to the SMGS Agreement and interested organizations, such as for instance OSZhD, during spring 2003 with the aim of finalizing the draft UNECE Convention on international Customs transit procedures for the carriage of goods by rail covering the SMGS area.

23. The Working Party was informed by several Contracting Parties to the SMGS Agreement that they would submit, to the secretariat, amendment proposals to the draft Convention.

24. The European Commission expressed interest in participating in the above-mentioned meeting with the aim of sharing its experience concerning the use of the CIM consignment note in the framework of the Common transit procedure.

25. The Working Party was informed by the IRU that it favours a liberalization of the railway industry, expecting that privately-owned companies will be in a position to offer better services to the users. In this context, the IRU pointed out that Customs issues are often used to discriminate against private owned railway companies by requesting guarantees from them. There should be no discrimination between the modes of transport to prevent irregularities or criminal actions moving from one mode to another.

CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)

Documentation: ECE/TRANS/17 and Amends.1-22; 2002 TIR Handbook; (<http://tir.unece.org>); TRANS/WP.30/AC.2/66 annex 1; TRANS/WP.30/204; TRANS/WP.30/202; TRANS/WP.30/200; TRANS/WP.30/198.

(a) Status of the Convention

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (a).

26. The Working Party was informed that the TIR Convention, 1975 has at present 64 Contracting Parties. Mongolia will accede to the Convention with effect from 1 April 2003.

27. The IRU expressed concern about the impact the enlargement of the European Union would have on the use of the TIR procedure, in particular for transport operators as well as associations and Customs authorities in countries with “new” external borders of the EU. In this context, the European Community offered to provide future sessions of the WP.30 with some information on the progress of EU enlargement.

28. A complete list of Contracting Parties to the Convention, as well as a list of countries in which TIR operations can be undertaken, is annexed to the report of the thirty-third session of the TIR Administrative Committee (TRANS/WP.30/AC.2/67, annex 1). Updated information on the scope of the TIR Convention is available on the UNECE TIR web site: (<http://tir.unece.org>).

(b) **Revision of the Convention**

(i) **Implementation of Phase II of the TIR revision process and examples of best practices**

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (b) (i).

29. The Working Party, as decided during its one-hundred-and-second session (TRANS/WP.30/204, para. 27), requested Contracting Parties to supply the secretariat with information about the implementation at national level of Phases I and II of the TIR revision process.

30. The IRU recalled that it was very important for the guaranteeing associations that the Convention and the amendments thereto are implemented and that the information concerning the implementation is published and made available both to the UNECE secretariat and the IRU in order to ensure the proper functioning of the TIR procedure.

(ii) **Preparation of Phase III of the TIR revision process**

Documentation: TRANS/WP.30/2003/5; TRANS/WP.30/2003/3; TRANS/WP.30/2002/23; TRANS/WP.30/2002/20; TRANS/WP.30/2002/17; TRANS/WP.30/2002/15; TRANS/WP.30/2002/11; TRANS/WP.30/2002/7; TRANS/WP.30/2001/19 and Rev. 1; TRANS/WP.30/2001/18; TRANS/WP.30/2001/15; TRANS/WP.30/2001/13; TRANS/WP.30/2001/12; TRANS/WP.30/2001/11; TRANS/WP.30/2001/6; TRANS/WP.30/2001/5; Informal document No.20 (2002); Informal document No.2 (2002); Informal document No.15 (2001); Informal document No.14 (2001); Informal document No.13 (2001); Informal document No.12 (2001); Informal document No.8 (2000); Informal document No.7 (2000); Informal document No.1 (2000); Informal document No.5 (1997) ; EXG/COMP/2002/16.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (b) (ii).

- **Revision of the TIR Carnet**

31. The Working Party considered document TRANS/WP.30/2003/3, prepared by the secretariat containing a proposal of best practices concerning documentation required in the case of a TIR transport. After an in-depth discussion, which in particular focused on the status of the documents and the responsibility of the holder of a TIR Carnet for information provided in additional documents, the Working Party requested the IRU to prepare a document for its next

session containing a proposal to amend the proposal with a view to limiting the responsibility of the holder for information contained in documents submitted to Customs authorities.

- Increase in the number of loading and unloading places

32. The Working Party was informed by the TIR secretariat that the TIRExB has agreed on proposals for short-term solutions to increase the number of Customs offices of loading and unloading. The proposals contain both solutions for consecutive and simultaneous use of several TIR Carnets. The TIRExB will submit the proposal for the next session of the Working Party to be considered concurrently with the proposal for the long-term solution prepared by the secretariat (TRANS/WP.30/2002/20).

- Use of new technologies

33. The Working Party was informed of the progress made by the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure, at its second session, which had taken place in Prague on 14 and 15 November 2002 under the Chairmanship of Mr. Ille (Czech Republic). The Expert Group's main task is the identification and analysis of data elements of the current TIR Carnet and the analysis of the actors involved in the process, with a view to preparing a set of electronic messages. To this end, the Expert Group reached agreement on the overview of its project and was able to identify the actors involved and the extent of their responsibilities. Much progress was made in the analysis of the individual 50 data elements contained in the TIR Carnet. The Group decided that, at its next session, due to be held in the spring of 2003, it would finalize the analysis of the data elements and would study the conceptual and hierarchical data models. The Working Party endorsed the report of the session (EXG/COMP/10).

34. The Working Party welcomed a presentation by Mr. Jean Kuebler of the UNECE Trade Division on the possibilities to computerize the TIR procedure based on the approach developed for UNEDOCS.

(iii) Draft amendments on the introduction of a control system for TIR Carnets

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (b) (iii).

35. The Working Party considered the amendment proposals transmitted by Latvia concerning the introduction in the Convention of a control system for TIR Carnets (TRANS/WP.30/2003/5).

36. The Working Party, in general, considered that the proposal would contribute to improving the exchange of information between Customs authorities and guaranteeing associations and international organizations issuing TIR Carnets and would strengthen the security of the TIR system. The Working Party considered that the Convention should only make a generic reference to the international organization (and its control system) authorized to print and guarantee TIR Carnets. The Working Party invited Contracting Parties to submit their amendment proposals to the secretariat as soon as possible, with the aim that the secretariat could prepare an amended proposal for the forthcoming session of the Working Party.

37. The Working Party took note of a presentation of the new functionalities of the CUTEWise application, the IRU software providing Customs authorities with information about the status of TIR Carnets. The major advantage of the new application is that it is "firewall proof". The IRU thanked the German Administration which was the pilot site of this application.

38. The IRU, in general, agreed to provide Contracting Parties, as soon as possible, through Cutewise, with additional relevant tools for accessing existing information in the IRU databases for TIR Carnets. The Working Party requested the IRU to prepare a document for its next session containing an overview of information available in the IRU TIR Carnet databases relevant for Customs authorities in order that the Working Party might define which information could add value to the task of Customs authorities.

(c) **Application of the Convention**

(i) **Functions and roles of the TIRExB, the TIR secretariat and the IRU**

Documentation: TRANS/WP.30/2002/30; TRANS/WP.30/R.179; Informal documents No. 1 and 3 (2003).

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (i).

39. The Working Party considered Informal document No. 1 (2003) containing the conclusions of the meeting of the "Friends of the Chairman" that took place in January 2003. The Working Party welcomed the initiative and supported the report of the meeting, in particular, the three-stage approach proposed in the conclusions.

40. In relation to the existing agreement between the UNECE and the IRU, the Working Party recommended to the Administrative Committee to give the UNECE secretariat a mandate to revise this agreement immediately after the session of the TIR Administrative Committee in February 2003 on the understanding that this mandate would be based on the provisions of the Convention and that it would respect the competences of the Contracting Parties to the Convention. The Working Party agreed that the group “Friends of the Chairman” would provide the secretariat with advice on the draft of the revised agreement before its signature. The revised agreement shall then be signed provisionally by the UNECE and the IRU until its formal adoption by the TIR Administrative Committee.

41. As to the clarifications of roles and responsibilities, the Working Party requested the secretariat to prepare for its next session an official document on the basis of the documents considered by “Friends of the Chairman”, including the document containing the views of the Chairman. In this context, the Working Party invited Contracting Parties to submit written contributions to the secretariat as soon as possible, in order that these could also be made available for its next session.

42. The Russian Federation presented a document on amendment proposals to be considered as an official document at the next session of the Working Party.

43. The Contracting Parties confirmed the well functioning of the TIR secretariat and the perfect and professional way of working of the TIR Secretary.

44. The Working Party was of the view that it is the sole competency of the TIR Administrative Committee to decide the budget for the TIRExB and the size of levy on the TIR Carnet to be collected to finance the budget.

45. The Working Party was of the view that the TIRExB is an important body and, in order for the TIRExB to continue its activities and valuable contribution to the well functioning of the Convention, it must necessarily continue to be supported by a competent secretariat with the necessary resources.

(ii) **Control system for TIR Carnets - IRU SafeTIR**

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (ii).

46. The Working Party was informed that the next meeting of the joint IRU/TIR secretariat SafeTIR Taskforce was due to take place on 18 February 2003. At that meeting, more detailed information on the SafeTIR performances per country and within countries, as provided by the IRU, would be presented, serving as a basis for further analysis and follow-up activities by the Taskforce. Both the UNECE secretariat and the IRU reiterated the importance they attach to the activities of the Taskforce. The IRU pointed out that the work of the Taskforce would be just as important even after the SafeTIR system would be incorporated into the TIR Convention.

(iii) **Settlement of claims for payments**

Documentation: TRANS/WP.30/204.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (iii).

47. The Working Party was informed by the IRU that it awaited the ruling of the Court of Arbitration on whether to obtain payment of Customs claims for the final batch of 500 TIR Carnets presented to the previous insurers of the international guaranteeing chain. The ruling is expected in the coming weeks.

48. The IRU also informed the Working Party that, in relation to claims under the present insurance scheme, there were no new developments to report apart from the agreements between the IRU and the Russian Federation and Belarus, respectively.

(iv) **Measures to reduce the number of lost, stolen and falsified TIR Carnets**

Documentation: Informal document No. 22 (2002).

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (iv).

49. The Working Party took note of an overview prepared by the IRU, for the time being in French only, providing information on the status of the various versions of the TIR Carnets in circulation. The secretariat will, in co-operation with the IRU, prepare a document containing the information in all official languages of the Convention.

50. The Working Party expressed concern about the variety of the TIR Carnets in circulation, which might undermine the possibility for proper Customs control of the TIR procedure. The Working Party was, in particular, concerned that the so-called blue TIR Carnets (numbers AX 35.000.000 to PX 35.999.999 and SX 36.000.000 to XZ 37.999.999) remain in circulation. Consequently, the Working Party requested the IRU, as soon as possible, to recall from issuing associations all TIR Carnet versions other than the latest version, i.e. those Carnets with an alpha-numeric number from 38.000.000, the so-called “black” TIR Carnet. The IRU confirmed that it would make efforts to stop the issuance of previous versions of the TIR Carnet as soon as possible. However, the IRU pointed out that TIR Carnets already issued to holders will remain in circulation.

51. The Working Party recalled that all versions of the TIR Carnet presented to Customs within the deadlines prescribed in the Convention remain valid, including guarantee coverage. However, the Working Party encouraged Customs authorities to pay particular attention when older versions of the TIR Carnet, which according to the IRU should not be in circulation any more, are presented in the future, in particular TIR Carnets with numbers below 25.000.000.

(v) **Amendment proposals relating to technical provisions**

Documentation: TRANS/WP.30/2002/27.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (v).

52. The Working Party took note of a presentation by a private company on the development of a cable with an integrated fibre optic offering increased security against tampering with the cable and the unauthorized access to the load compartment (TRANS/WP.30/2002/27).

53. The Working Party decided to postpone further discussion on this issue until its next session, where it will be possible to consider the technical compliance with the provisions of the Convention, Annex 2, based on the results of investigations of the cable to be carried by Customs authorities.

(vi) **National control measures in the Russian Federation**

Documentation: TRANS/WP.30/204; TRANS/WP.30/202; TRANS/WP.30/200; TRANS/WP.30/198; (<http://tir.unece.org>).

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (vi).

54. The Working Party took note of information provided by the delegation of the Russian Federation, that no substantive changes have taken place in relation to the decrees considered by the Working Party at its previous sessions.

55. The Working Party recalled that, at its previous session, it had decided that Order No. 1132 issued by the State Customs Committee of the Russian Federation should be considered by the TIR Administrative Committee.

56. The Working Party was informed by the delegation of the Russian Federation that, as a new measure, it had been recommended to indicate in the consignment note the registration number of the consignee as assigned by the Customs authorities. The Customs office of entry to the Russian Federation shall check the number. If the number is correct, the transport operator may benefit from the simplified procedures developed by the Russian Customs authorities.

(vii) **Heavy or bulky goods**

Documentation: TRANS/WP.30/2002/23 and Rev. 1; TRANS/WP.30/2003/6; TRANS/WP.30/2002/8.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (vii).

57. The Working Party considered document TRANS/WP.30/2002/23/Rev.1 containing a revised proposal for a comment to Article 17 in the number of TIR Carnets required for the transport of mixed cargoes containing heavy and bulky goods. The Working Party adopted the comment contained in annex 3 to this report and decided to transmit it for the endorsement by the Administrative Committee at its thirty-fifth session in September 2003.

58. The Working Party considered document TRANS/WP.30/2003/6, prepared by the secretariat, containing a proposal for a comment to the Convention providing for the use of more than one TIR Carnet for a TIR transport.

59. The Working Party decided to postpone the discussion of this issue until its next session in order to be able to consider the proposal in parallel with the proposal to be submitted by the TIRExB concerning the short-term measures for increasing the number of loading and unloading places.

(viii) Inclusion of place and number of seals in the certificate of approval

Documentation: TRANS/WP.30/2003/4; TRANS/WP.30/2002/24.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (viii).

60. The Working Party considered the proposal, prepared by the secretariat, as contained in document TRANS/WP.30/2003/4 to amend Annex 6, Explanatory Note 2.2.1 (b) to Article 2, paragraph 1 (b) of Annex 2 of the Convention (applies also mutatis mutandis to the provisions of Annex 7) in cases where more than one Customs seal is required and to replace the existing comment on “Number of Customs seals” to Annex 4 concerning the inclusion of the place and number of Customs seals in the certificate of approval.

61. The Working Party agreed to modify the proposal in order that, as prescribed in the model Certificate of Approval, Annex 4 of the Convention, not only sketches, but as an alternative photographs, shall be attached to the Certificate of Approval. It also agreed to replace the word bi-annual in the comment to the Explanatory Note and the Comment to Annex 4 with the word biennial, meaning every two years.

62. The Working Party, including the above mentioned modifications in the proposal, agreed with the amendments to Explanatory Note 2.2.1. (b) as well as the revised comment to Annex 4 as contained in annex 2 to this report and decided to transmit these to the TIR Administrative Committee for adoption at its forthcoming session.

(ix) The concept of authorized consignee in the TIR Convention

Documentation: TRANS/WP.30/2003/1.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (ix).

63. The Working Party had a first exchange of views on the issue. Some delegates pointed out that the conclusion, drawing by the TIRExB, that the TIR Convention already at present provides for the use of the concept authorized consignee, thus making any amendment to the text of the

Convention obsolete, should be taken as a guideline for any further consideration. Other delegates, however, raised a number of impediments of a legal and/or practical level, which would not allow the Working Party to endorse the TIRExB's conclusions.

64. The IRU informed the meeting that its internal considerations of the issue had led to the conclusion that it would be premature at this stage to envisage an amendment of the TIR Convention with a view to obtaining a more harmonized use of the concept.

65. Without entering into detail, the Working Party decided to continue its considerations at its next session, on the basis of a further document, to be prepared by the secretariat, which should in particular address the complications coinciding with the use of the concept within the context of the provisions of the TIR Convention and which should also address in more detail the implications for the other actors involved (transport operator, national association, international organization and the international insurer). The Working Party welcomed a proposal by France to give a presentation at the next session, outlining the experiences gained in a pilot survey, conducted by the French Customs administration, whereby certain consignees had been granted the authorization, under observation of Customs procedures and strict criteria, to receive goods under cover of a TIR Carnet directly at their premises.

(x) **TIR Handbook**

Documentation: UNECE document; (<http://tir.unece.org>).

Mandate and background: Provisional agenda TRANS/WP.30/205, point 8 (c) (x).

66. The TIR Handbook contains the latest amendments to the Convention as well as all relevant comments adopted by the UNECE Working Party (WP.30) and the Administrative Committee. The TIR Handbook can be viewed and downloaded from the UNECE TIR web site in various languages (<http://tir.unece.org>). Updated hard-copy versions of the TIR Handbook are available in Chinese, English, French, Italian and Russian. A German version will be ready in the near future. A limited number of such copies may be obtained free of charge from the secretariat.

67. The IRU requested that the web versions of the TIR Handbook could be updated as soon as amendments to the Convention are adopted. The secretariat informed that it would ensure that revised pages of the TIR Handbook, containing the relevant amendments, would be made available as a separate file on the TIR website as soon as amendments can be considered as having been accepted according to the legal procedures of the Convention.

(xi) **Other matters**

Practical application for the TIR procedure of the Customs Union between the Russian Federation and Belarus

68. The Working Party was informed by the IRU about difficulties for operators in understanding the practical application of the Customs Union between the Russian Federation and Belarus. In order to avoid unnecessary irregularities, due to misunderstanding in the application of the regulations governing transit provisions of the Customs Union, the IRU requested a description of the provisions applying to transit, in particular which vouchers and counterfoils are being stamped by the respective administrations for a TIR transport from EU to the Russian Federation via Belarus and vice versa, and which Authority is competent to launch an inquiry procedure and apply the provisions of article 11.

69. The Working Party invited the Russian Federation and Belarus to prepare a document for the forthcoming session of the Working Party describing the relevant provisions of the Customs Union and the practical application and procedures for TIR transport operations going from west to east and vice versa. The Working Party also invited other Contracting Parties to provide written information of other Customs Unions that could have an impact on the practical application of the TIR procedure.

PREVENTION OF THE ABUSE OF CUSTOMS TRANSIT SYSTEMS BY SMUGGLERS

Documentation: TRANS/WP.30/127.

Mandate and background: Provisional agenda TRANS/WP.30/205, point 9.

70. No new information was provided by delegations on this subject.

OTHER BUSINESS

Mandate and background: Provisional agenda TRANS/WP.30/205, point 10.

(a) **Dates of the next sessions**

71. The Working Party decided to convene its one-hundred-and-fourth session from 17 to 20 June 2003. The deadline for submission of official documentation is 28 March 2003.

72. The one-hundred-and-fifth session of the Working Party is tentatively scheduled to be held during the week of 22 to 26 September 2003 in conjunction with the thirty-fifth session of the TIR Administrative Committee and the sixth session of the Administrative Committee for the International Convention on the harmonization of Frontier Controls of Goods.

(b) **Restriction on the distribution of documents**

73. The Working Party decided there should be no restrictions with respect to the distribution of documents issued in connection with its current session.

ADOPTION OF THE REPORT

Mandate and background: Provisional agenda TRANS/WP.30/205, point 11.

74. The Working Party adopted the report on its one-hundred-and-third session.

Annex 1

OPENING STATEMENT BY MRS. B. SCHMÖGNEROVÁ,

UNECE EXECUTIVE SECRETARY

(Tuesday, 4 February 2003 at 10.00 h.)

Distinguished delegates, Ladies and Gentlemen,

I wish to welcome you all to the one-hundred-and-third session of the Working Party on Customs Questions affecting Transport (WP.30).

The Provisional Agenda of your meeting shows that you are dealing with issues like the status, scope and application of a large number of Conventions, including the Customs Conventions on the Temporary Importation of Private and Commercial Road Vehicles, the International Convention on the Harmonization of Frontier Controls of Goods, the Draft Conventions on International Customs Transit Procedures for the Carriage of Goods and, last but not least, the TIR Convention. For obvious reasons, I will focus today on the TIR Convention.

The TIR Convention has for more than forty years greatly facilitated the development of international transport and trade in Europe, thereby providing a major contribution to economic growth and prosperity of European countries, as well as to European integration.

This has been possible because the TIR Convention provides for an efficient and low-cost international transit transport of goods. Through carefully drafted regulations, the TIR Convention has set up, among other measures, extremely simplified, though efficient, border procedures and a low-cost guarantee system. This has also been possible because it has relied on a close cooperation between the Customs Authorities of the Contracting Parties and road transport operators, which is a unique example of Public-Private-Partnership.

Today, while remaining useful for all Contracting Parties, the TIR Convention is particularly important, and I would dare to say, absolutely indispensable, for Central, Eastern and South-Eastern European countries with economies in transition as well as to Caucasus countries and the landlocked countries in Central Asia.

However, as recent events have shown, the TIR Convention is under a major threat, namely the misuse of its facilities by organized crime. Indeed, well-organized international mafias are taking illegal advantage of the easy and low-cost border crossing possibilities offered by the

Convention and are committing a disproportionately high number of Customs irregularities, precisely in those countries which need the TIR system the most, and which, at the same time, are the most vulnerable to such a misuse, due to the difficulties associated with the transition process under way in those countries, their technological and organizational backlog and the existence of black markets where goods can be easily traded.

As reflected in the report of your October 2002 meeting, the IRU reported that it had received over 3500 claims for payment in 2002 until the date of the meeting, while the total number of claims was below 600 in 1994 when the previous insurance pool decided to withdraw its coverage. The IRU also reported that 80% of all pending claims for payment originated from two Contracting Parties. This is indeed a dramatic increase in the number of irregularities and a disproportionate one, particularly in those two countries. In addition, in 2002, the Russian authorities had started to request payment for individual claims, contrary to the practice of previous years when the Russian authorities had negotiated lump sum settlements. Therefore, the high number of claims and this new approach in handling them in the Russian Federation represented a dramatic and unforeseen increase in risk, which no guarantee system and no insurance company would have been able to assume.

Against this background, the reference to the “automatic and incontestable” payment, with a complete disregard to the dramatic risk increase placed on the guarantee chain, was most unreasonable. In this respect, while I have to recognize a part of responsibility of the secretariat, I hope you can admit that similar views held by certain members of the TIRExB and delegates to this Working Party may have also lent support to the new approach. Had these views prevailed, we would have today no more TIR system in the Russian Federation and perhaps no more TIR system everywhere else as well.

These views, and others expressed in the recent past, like the request to re-introduce sensitive goods in the TIR system, have over the years undermined the relationships among the various players of the TIR system and led to mistrust and lack of confidence among them. This explains that this Working Party, at its sessions in June and October 2002, did not take sufficiently into account the above figures and the serious concerns reported by the IRU at those sessions.

We should be pleased that, thanks to the responsiveness of both the Russian Customs authorities and the IRU, we were able to avoid the crisis. Therefore, I would like to express once again my appreciation to both the Russian Customs authorities and the IRU for their efforts to find a negotiated solution.

We must now look into the future and do our utmost to avoid the repetition of a similar crisis. If we do nothing or if we do not act in a more responsible way, we will have to face the prospect that the TIR system may cease to exist in the near future. To prevent this from happening, I believe that this Working Party should recommend to the Administrative Committee to focus its work and that of the TIRExB on how best to prevent Customs irregularities in the countries that are or can become the targets of organized crime. This Working Party should also promote a climate of trust and confidence among the various players, in particular between the Contracting Parties and the private sector. In this connection, it is important that the IRU makes an effort towards better communication and improved information. It is also important that the bodies concerned create a working environment and a regulatory framework that allows the private sector to perform its commercial functions with the necessary room for manoeuvre and without unnecessary interferences. Furthermore, it is important to avoid initiatives that represent a dramatic and unforeseen increase in risk for the guarantee system.

More specifically, I welcome and fully support the three-stage approach proposed by the Group of the Friends of the Chairman and strongly encourage this Working Party to recommend to the Administrative Committee the adoption and immediate implementation of such an approach.

I also welcome and fully support the presentation by the Government of Latvia for consideration at this session of a proposal for the introduction of a control system in the Convention in order to allow the IRU and guaranteeing associations to better manage the risk for the guarantee system. I invite you to finalize the relevant amendment proposal as soon as possible.

Distinguished delegates, Ladies and Gentlemen, it is vital for the economies of the Contracting Parties and the well-being of their citizens that the TIR Convention can continue to facilitate the development of international transport and trade. I call on you, Governmental delegates, representative of the EC and the IRU, to do your utmost in order to achieve this strategic objective of the Contracting Parties to the TIR Convention.

I wish this Working Party the greatest success in its work and thank you for your attention.

Annex 2

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

AMENDMENT PROPOSAL

agreed upon by the Working Party on 7 February 2003

Amend Annex 6, Explanatory Note 2.2.1 (b) to Article 2, paragraph 1 (b) of Annex 2 (applies also mutatis mutandis to the provisions of Annex 7):

“Explanatory Note to Article 2, paragraph 1 (b)

2.2.1 (b) Doors and other closing systems”

Add a new subparagraph (f) to 2.2.1 (b):

- (f) In cases where more than one Customs seal are required for Customs secure sealing, the number of such seals shall be indicated in the Certificate of Approval under point 5 (Annex 4 to the TIR Convention, 1975). A sketch or photographs of the road vehicle shall be attached to the Certificate of Approval showing the exact location of the Customs seals

Comment to Explanatory Note 2.2.1 (b) (f)

Implementation period for the inclusion in the Certificate of Approval of the number and place of seals when more than one Customs seal is required

The provisions of Explanatory Note 2.2.1 (b) (f), which come into force on [7 August 2003] shall be applicable for road vehicles to be approved for the first time or on the occasion of the biennial inspection and renewal of the approval after entry into force of Explanatory Note 2.2.1 (b)(f) where appropriate. As a consequence, as of [7 August 2005], all road vehicles, requiring more than one seal for Customs secure sealing, shall need to be equipped with a Certificate of Approval in line with Explanatory Note 2.2.1 (b) (f).

{TRANS/WP.30/206, paragraph 62}

Delete the Comment on “Number of Customs seals” to Article 2, paragraph 1 (b) (applies also mutadis mutandis to the provisions of Annex 7).

Replace the existing comment on “Number of Customs seals” to Annex 4 of the Convention by the following:

Place and number of Customs seals

In cases where more than one Customs seal are required for Customs secure sealing, the number of such seals shall be indicated in the Certificate of Approval under point 5 (Annex 4 to the TIR Convention, 1975). A sketch or photographs of the road vehicle shall be attached to the Certificate of Approval showing the exact location of the Customs seals. This provision, which comes into force on [7 August 2003], shall be applicable for road vehicles to be approved for the first time or on the occasion of the biennial inspection and renewal of the approval after entry into force of Explanatory Note 2.2.1 (b)(f) where appropriate. As a consequence, as of [7 August 2005], all road vehicles, requiring more than one seal for Customs secure sealing, shall need to be equipped with a Certificate of Approval in line with Explanatory Note 2.2.1 (b) (f).

{TRANS/WP.30/206, paragraph 62}

Annex 3

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

Comments adopted by the UNECE Working Party
on Customs Questions affecting Transport

COMMENT TO ARTICLE 17

Add a new comment to Article 17 to read as follows:

"Issuance of TIR Carnets for a mixed cargo consisting of normal goods and heavy or bulky goods

When taking a decision on the number of TIR Carnets required for the transport of a mixed cargo consisting of both normal goods and heavy or bulky goods, the Customs office of departure shall take into account the specific provisions of Article 32 according to which for the transport of heavy or bulky goods the cover and all vouchers of the TIR Carnet shall bear the endorsement "heavy or bulky goods". Since this endorsement does not apply to normal goods transported under Customs seal, a separate TIR Carnet (or TIR Carnets) shall be required to cover the transport of normal goods."

Add the same comment to Article 32.

{TRANS/WP.30/206, para. 57}.
